

## CORPORATE SPONSORSHIPS AS FISCAL CREDIT

Romanian legislation allows a company to report **sponsorships awarded to NGOs as fiscal credit for tax returns**, without affecting their financial performance and net earnings.

You can either award a sponsorship in 2024 and use it for future tax credit or redirect in 2015 a part of the corporate tax that you already paid.

**Here are the easy steps for each option:**

### **Tax credit for 2024** *(diminishing future corporate tax)*

1. Check your financial indicators and anticipate how much your eligible credit will be, based on the reported financial indicators.

*(You can take a sponsorship decision after every quarterly report, for example for the Q1 figures already)*

2. Sign sponsorship contracts with PATRIR throughout the year, based on financial indicators.
3. Award the sponsorships after the contracts are signed.
4. Report the sponsorships in the tax returns, the D101 and D107 in 2025, within the fiscal deadlines.

### **Tax credit for 2025** *(redirecting corporate tax incurred)*

1. After financial closing, submit the tax returns (D101) by the ANAF deadline.
2. Calculate if the eligible tax credit limit is reached or not.
3. If below the limit, sign a sponsorship contract with PATRIR.
4. Fill in and submit D177 to the by June next year, which instructs the state to redirect part of the tax to PATRIR, to the eligible limit.
5. PATRIR will receive the funds from the state after your corporate tax is paid.

#### **Notes:**

- The eligible credit limit is the minimum between: 0,75% of annual sales turnover and 20% of corporate tax.
- Starting with 2024, micro-enterprises paying corporate tax on revenue will no longer benefit from tax credit for the sponsorships they award, only companies taxed on profits. The corporate tax for 2023 can still be redirected by micro-enterprises, up to the eligible limit.
- At contract signing, you can check that PATRIR is eligible to receive sponsorships by querying its Registration Number (CIF 13796893) at the [following link](#).